

**BDAC Water Use Efficiency Work Group
Meeting Summary
June 27, 1996**

The second meeting of the BDAC Water Use Efficiency Work Group was held on Thursday, June 27, 1996 at the Resources Building from 1:15 p.m. to 3:45 p.m.

BDAC members of the Work Group present were:

Judith Redmond, Chair	Alex Hildebrand	Mary Selkirk
Roberta Borgonovo	Richard Izmirian	Mike Stearns

Invited participants of the Work Group were:

Scott Akin	David Fullerton	Palma Risler
Byron Buck	Bill Jacoby	Dan Rodrigo
Ed Craddock	Susan Munves	Brad Shinn

CALFED Staff present were:

Lester Snow	Sharon Gross	Rick Soehren
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Other participants included:

Leasa Cleland	Lance Johnson	Lora Steere
Bruce DiGennaro	Dennis O'Connor	Jeanette Thomas
Conner Everts	Thomas Panella	Sarah West
Mike Heaton	Jason Peltier	Greg Wong
Diane Hinson	Larry Rodriguez	Greg Young
Jeff Jaraczski	Barbara Sarkis	

Work Group Chair Judith Redmond explained that the purpose of this and future work group meetings is to contribute to the development of approaches to incorporate water use efficiency in CALFED alternatives. Currently there are four categories of water use efficiency. These categories are:

- ▶ Urban Water Use Efficiency,
- ▶ Agricultural Water Use Efficiency,
- ▶ Temporary Land Fallowing/Permanent Land Fallowing, and
- ▶ Water Recycling.

These categories are not "set in stone." There may be approaches to add as well as categories that need rethinking. For each category, the CALFED staff will develop proposals for water use

efficiency reflecting Work Group input. These proposals will be submitted to BDAC for further review and comment. Refined approaches will be incorporated into CALFED Phase II alternatives. The proposals need to be completed by December 31 of this year or earlier. The challenge to this Work Group is to develop proposals which are practical and workable for implementing water use efficiency measures.

There was some discussion regarding the definition of water use efficiency. The land fallowing category, for example, might be modified to accommodate the view by some in the group that fallowing is not a water-use efficiency action, but rather a reallocation of resources. It was agreed that the task before this work group was to recommend approaches to promote increased efficiency among all uses for the benefit of increasing the reliability of water supplies to all uses. The Work Group does not believe its role should be to suggest reallocations between uses based on which uses have higher efficiencies. Additional discussion of the definition of water use efficiency was planned.

The question of water use efficiency for environmental uses was also discussed at some length. Some members of the work group felt that water used for ecosystem purposes will have to meet the same kind of water use efficiency standards that urban and agricultural users will have to meet. Water use efficiency in the context of environmental uses was described as the management of water diverted for environmental purposes rather than setting goals regarding flow necessary to support ecosystem health. For example, the flooding of rice fields to provide waterfowl habitat could be subject to management criteria to improve and ensure that the water is put to use in most efficient way possible. This example also highlights the fact that non-environmental water uses and environmental water uses are closely interrelated, therefore, more efficient management of both uses should be a part of the solution. Rick Soehren indicated that this issue will probably be brought up in the Ecosystem Restoration Work Group. Some in the Water Use Efficiency Work Group felt that collaboration between both work groups would be desirable.

It was also mentioned that increasing the efficiency in some areas (northern Sacramento Valley, for example) may have impacts that this group needs to be aware of. Such impacts might be the concentration of agricultural runoff, reduced groundwater percolation, or diminished flows to wetland areas. Accordingly, some would be opposed to measures that would reduce water allocations, return flows, or impose stringent efficiency criteria that would affect other benefits of irrigation or management of irrigated lands.

The issue of land fallowing was discussed briefly, although it was not an item on this agenda and will be the topic of a future Work Group meeting. In general, the Work Group felt that long-term land fallowing was not a water use efficiency measure but a reallocation measure. However, temporary land fallowing for reallocating water within a basin was considered by the Work Group to be an acceptable water use efficiency measure.

CALFED has proposed that water use efficiency be treated as a Common Program, which means that the same institutional approach to water use efficiency would be taken in each Phase II alternative, although specific measures or levels of effort might vary across alternatives. The Chair asked the Work Group for feedback on the Common Program concept with respect to water use efficiency. The group was generally comfortable with the Common Program concept but some felt that land fallowing should be treated separately, reflecting a discomfort with the inclusion of fallowing as a water use efficiency measure.

A presentation was made to the Work Group by Susan Munves, convener of the California Urban Water Conservation Council (Council). This presentation described the goals and achievements of the Council as well as some of the program's weaknesses.

The Council consists of water agencies, environmental and public interest groups, and other interested parties that have signed the Memorandum of Understanding Regarding Urban Water Conservation in California (MOU). Water agency signatories to the MOU pledge to make a good faith effort to implement 16 conservation measures called Best Management Practices (BMPs). Approximately 180 urban water agencies are signatories to the MOU.

The strength and weaknesses of the Council were discussed at length. Some of the Council's strengths are: its ability to foster collaboration between diverse urban agencies and the non-profit community; its development of a flexible framework for implementation of urban BMPs; the ability to update the BMPs to reflect advances in technology and knowledge in the area of urban conservation; and its ability to allow a signatory agency to exempt itself from a specific BMP if the agency can prove that the BMP is not cost effective in the agency service area. The Council is currently developing a handbook that will provide a common approach to cost-effectiveness evaluations, and will develop criteria for cost-effectiveness.

Some of the Council's weaknesses are: the lack of compliance among the signatory agencies; difficulties in measuring and documenting water savings from BMP implementation; impracticality of asking water agencies to evaluate each other; and the inability of small agencies and non-profit signatories to participate in the process as fully as the larger urban agencies.

There was considerable discussion regarding what measures might be developed to encourage greater implementation of the BMPs. The Work Group discussed the effectiveness of incentive programs versus regulatory programs to achieve better compliance. It was generally agreed that a combination of both would be the most effective.

Offering low-interest loans and providing a way for agencies to capitalize the cost of conservation programs were mentioned as ways to encourage implementation. It was noted that many water agencies had difficulty increasing rates, even if conservation programs resulted in lower customer bills. Therefore, providing low interest loans, for example, might not be attractive to some agencies because rates would have to be raised to repay the loans. It was also brought out that many small districts don't understand the benefits of conservation. The Work

Group acknowledged the need to mount educational efforts to develop better understanding of the benefits of increased water use efficiency.

It was suggested that urban agencies need to develop consensus regarding: common language regarding demand projections; achievable levels of conservation; common understanding of water recycling; and identification of the areas of greatest potential savings (eg., residential landscape irrigation).

David Fullerton, a previous convener of the Council, reviewed the original premise of the MOU and the BMPs. As Fullerton described it, the MOU was intended to assure that signatory water agencies were implementing cost-effective urban water conservation measures at reasonable levels. This is a prerequisite to major public expenditures needed to implement a Bay-Delta solution. The MOU has not fully met its goal because many urban agencies have not signed it, and many signatories have not fully implemented BMPs.

Fullerton described options to ensure greater compliance:

- A stronger "watchdog" role by environmental groups and other organizations to increase compliance with urban BMPs. This has not happened because non-profits often lack the resources to participate actively in the process.
- Some sort of regulatory enforcement mechanism to serve as a backup to voluntary compliance. For example, the Council could "accredit" signatory agencies that have complied with the terms of the MOU, and inform the State Water Resources Control Board of agencies that have (and have not) been accredited. Failure to be accredited might result in loss of certain benefits available to other agencies.
- A use fee that could be charged for all water diverted from the Bay-Delta system. The fee could vary according to the impacts resulting from the diversion: low in wet years, high in the spring of drought years. The fee would send a price signal that discouraged diversions when they had the greatest impact on the system, and proceeds could be used to provide funding for technical assistance, low interest loans, financial incentives, or restoration.

In conclusion, the Common Program approach to urban water use efficiency should meet the following objectives:

- Preserve local flexibility
- Ensure a strong conservation component in the Bay-Delta solution
- Include the strengths and benefits of the Council and the urban MOU in the component
- Provide some type of assurance that a high "floor" level of conservation will occur
- Include both market and regulatory mechanisms
- Emphasize incentives and market mechanisms over regulatory ones
- Achieve a higher level of BMP implementation, and by more agencies
- Strengthen implementation of landscape water conservation

- Help agencies understand the value of conservation so it is included in their integrated resources planning
- Offer help in financing conservation programs

Rick Soehren stated that the framework of an approach to urban water use efficiency needed to be developed by fall. In order to accomplish this goal, CALFED staff will develop a proposed approach reflecting input from the Work Group. The proposed approach will be presented to the Work Group for additional advice and comment.

The dates for the next several meetings were set as follows:

Thursday	August 1	9:00 a.m. to noon.
Wednesday	August 28	9:00 a.m. to noon.
Thursday	September 26	9:00 a.m. to noon.